

RAILROAD COMMISSION OF TEXAS

SURFACE MINING AND RECLAMATION DIVISION

November 25, 2009

Mr. Josh Leftwich Environmental Manager Uranium Energy Corporation (UEC) 400 Mann Street, Suite 900 Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County

Uranium Exploration Permit No. 123C

Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on November 24, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

Mark Schlimgen, Manager Inspection and Enforcement

MS/sdj Enclosure



RAILROAD COMMISSION OF TEXAS SURFACE MINING AND RECLAMATION DIVISION

URANIUM EXPLORATION INSPECTION REPORT

Project Name:	Weesatche			Pern	nit Number: 1	23C
Permittee:	UEC			County: Goliad		
Industry Repre	esentative(s) Present	t: James Gale			8	
Inspector:	Inspector: Steve Meadows			Date of Inspection	: November	24, 2009
	,					8
I. Field Cond	litions and Data	Collection				
Samples Collec	cted: No 🛛	Yes 🗌	Sample Type:	Water	Soil 🗌	Vegetation [
Average Temperature		oil dition <u>Muddy</u>	Date Last Rainfall		Wind Direction/ Velocity (Est.)	North at 20
Photographs A	ttached: No 🗌 Y	es (Complete	Section IV)			* 2
II. Enforceme	ent Action Taken	Ĺ				
Notice of Viola	ation Issued:	No 🖂	Yes 🗌	NOV No.		Đ
Cessation Orde	er Issued:	No 🖂	Yes 🗌	CO No.		
1 5	How Mendo	ws	009 /	lack She	lu seu	11-25-0
Inspector Signature		Date	Rev	Reviewing Supervisor Signature Date		

The Railroad Commission of Texas complies with Federal and State laws applicable to race, religion, national origin, sex, and disability. Information is available upon request by calling (512) 463-7288 or 1-800-735-2989 if special assistance is required.

Project Name:

Weesatche

Permit Number:

123C

Inspection Date:

November 24, 2009

III. Comments - Inspection Narrative

- · Document the area of the permit inspected
- · Discuss observations made during the inspection
- · Document the results of any field tests taken
- Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions
- · Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action

No exploration drilling activity is in progress at UEC Permit No. 123C. Drilling activity related to installation of production wells is anticipated in the near term pending the completion of the TCEQ permitting process. Inactive equipment was observed at the UEC field office and in the Braquet area where recent rainfall restricted access to foot travel only due to the muddy conditions as documented in Photos 1-4. Typical examples of site restorations are documented in Photos 5-16. All cased wells were observed to be properly secured and identified. The drilling locations of the many previously inspected exploration boreholes, from which the marking PVC pipe has been removed for agricultural purposes, are essentially un-noticeable. A monitor well ring has been completed in this area that is the planned focus of ISL activity when permitted.

Project Name: Permit Number: Weesatche

123C

November 20, 2009

Inspection Date: VI. Photographs



Photo 1: Field office at UEC Permit No. 123C with inactive equipment.



Photo 2: Entrance to Braquet area of UEC Permit No. 123C.

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Photo 3: Muddy conditions on entrance road to Braquet area.



Photo 4: Inactive equipment parked on Braquet area of UEC Permit No. 123C..

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Photo 5: Site restoration at cased well BMW-20.



Photo 6: Cased well BMW-19.

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Photo 7: Cased well BMW-14.



Photo 8: Cased well BMW-3 with other wells visible in background.

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Photo 9: BMW-2 on UEC Permit No. 123C.



Photo 10: Site restoration at cased well RBLB-4.

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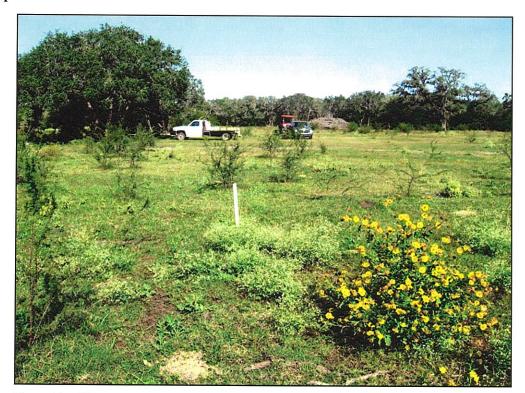


Photo 11: Site restoration at previously inspected exploration borehole in Braquet area.



Photo 12: Exploration borehole near old Braquet house on 2-12-08.

Project Name: Permit Number:

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Photo 13: Exploration location near old Braquet house on 11-24-09 with recent ruts.



Photo 14: The relocated Braquet rock near Braquet house.

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Photo 15: Cased well PTW-6 site restoration.



Photo 16: Cased well PTW-2.